

STAFF REPORT

DATE: November 1, 2016

TO: City Council

FROM: Mike Webb, Assistant City Manager
Ashley Feeney, Assistant Community Development & Sustainability Director
Katherine Hess, Community Development Administrator

SUBJECT: PA #15-60: Mitigated Negative Declaration #4-15, General Plan Amendment #4-16, South Davis Specific Plan Amendment # 2-16, Rezoning and Planned Development Amendment #7-15, Conditional Use Permit #5-15, Minor Modification #4-16, and Design Review #25-15: **2750 Cowell Boulevard, Hyatt House Hotel**

Recommendation

Staff recommends the City Council hold a public hearing and approve the project applications, or ask questions of staff and the applicants and continue the item to the meeting of November 15, 2016, if needed. At this or the next meeting, staff recommends the City Council take the following actions:

1. Certify Mitigated Negative Declaration #4-15 as adequately assessing the potential impacts of the project;
2. Approve the attached resolution amending the General Plan to conditionally allow hotels within the Business Park land use designation, on Cowell Boulevard between Drummond Avenue and the eastern terminus of Research Park Drive, with a Floor Area Ratio up to 100 percent;
3. Approve the attached resolution amending the South Davis Specific Plan to allow a reduction in the required landscape area as established in a Planned Development, for the area on Cowell Boulevard between Drummond Avenue and the eastern terminus of Research Park Drive;
4. Introduce the attached ordinance amending Planned Development #2-12 to allow hotels as a conditional use within the district with a maximum height of four stories and fifty feet (unless adjusted by Minor Modification, as noted in #5 below);
5. Approve Conditional Use Permit application #5-15, Final Planned Development #9-15, Minor Modification for a reduction in parking spaces and increase in tower height, and Design Review application 25-15 for the project, based on the attached findings and subject to the attached conditions.

This application is one of two extended stay hotel proposals undergoing development review. The second, a proposed Marriott Residence Inn near Mace and 2nd Streets, is scheduled for City Council hearing on this same agenda. The Planning Commission reviewed the Hyatt House applications on August 28, 2016, (hearing) and September 7, 2016 (site visit) before completing its discussion on September 14, 2016. At that meeting, the Commission voted 4-3 that it could not

support recommending approval of the applications. The Commission also made comments on project consistency with City Council criteria for evaluation of hotel proposals, as discussed later in this report.

An accompanying background informational staff report common to both hotel proposals is also on the same agenda and includes a discussion of the full range of options for City Council action.

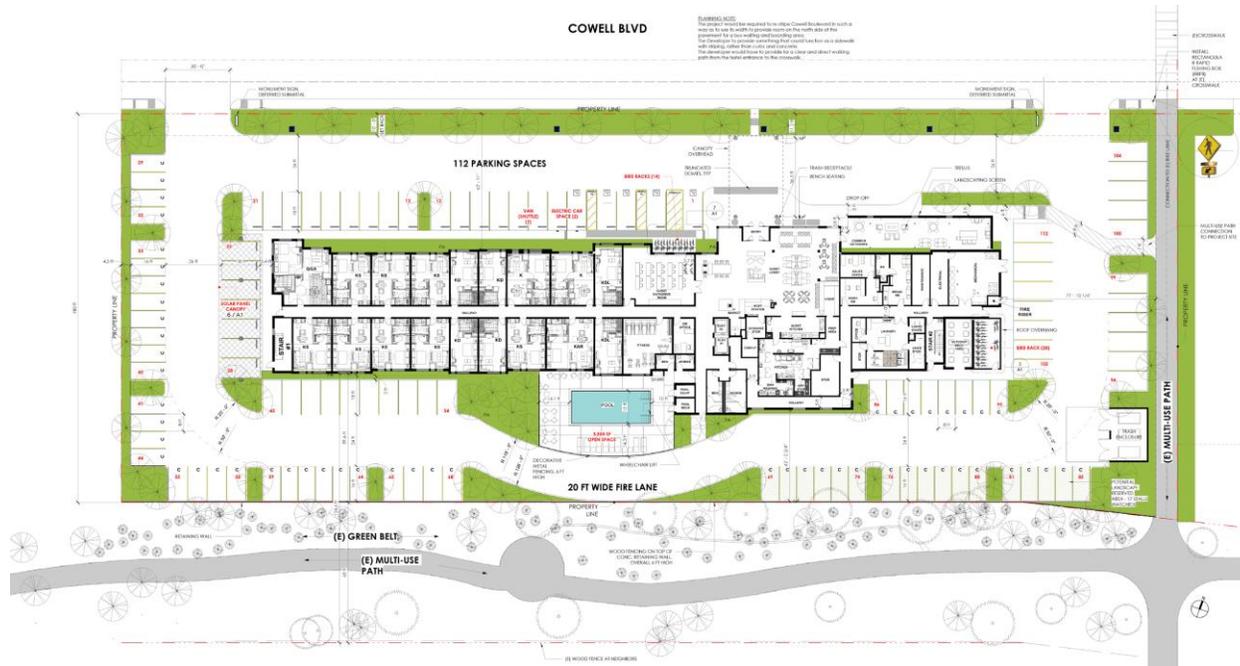
Project Description

The project is the construction of an extended stay hotel, parking, and customary accessory uses and facilities at 2750 Cowell Boulevard. The 2.031-acre parcel is currently vacant.

The project proposal includes the following components:

- ◆ 120 guest rooms, including studios, one-bedroom units, and suites;
- ◆ Ground-floor guest amenities including guest kitchen, fitness room, lobby with bar, meeting room, and outdoor pool and courtyard;
- ◆ A four-story structure with a maximum height of 47' 10" to parapet, with a tower at 55' at the building entry;
- ◆ Surface parking lot with approximately 112 vehicle spaces (including EV charging spaces, consistent with the City's draft EV readiness plan);
- ◆ Sustainability features including bicycle infrastructure, photovoltaic panels over a portion of the roof and parking lot generating an estimated 290 kilowatts of electricity, a commitment to achieving a LEED Gold certification from the US Green Building Council, and purchasing any remaining electricity from offsite renewable sources through the proposed City of Davis Community Choice Energy JPA;
- ◆ Vehicular and bicycle access from Cowell Boulevard, and bicycle/pedestrian access from the greenbelt along the south edge of the site; and
- ◆ Off-site improvements including a storm drain connection to Albany Avenue and pedestrian/bicycle improvements on Cowell Boulevard.



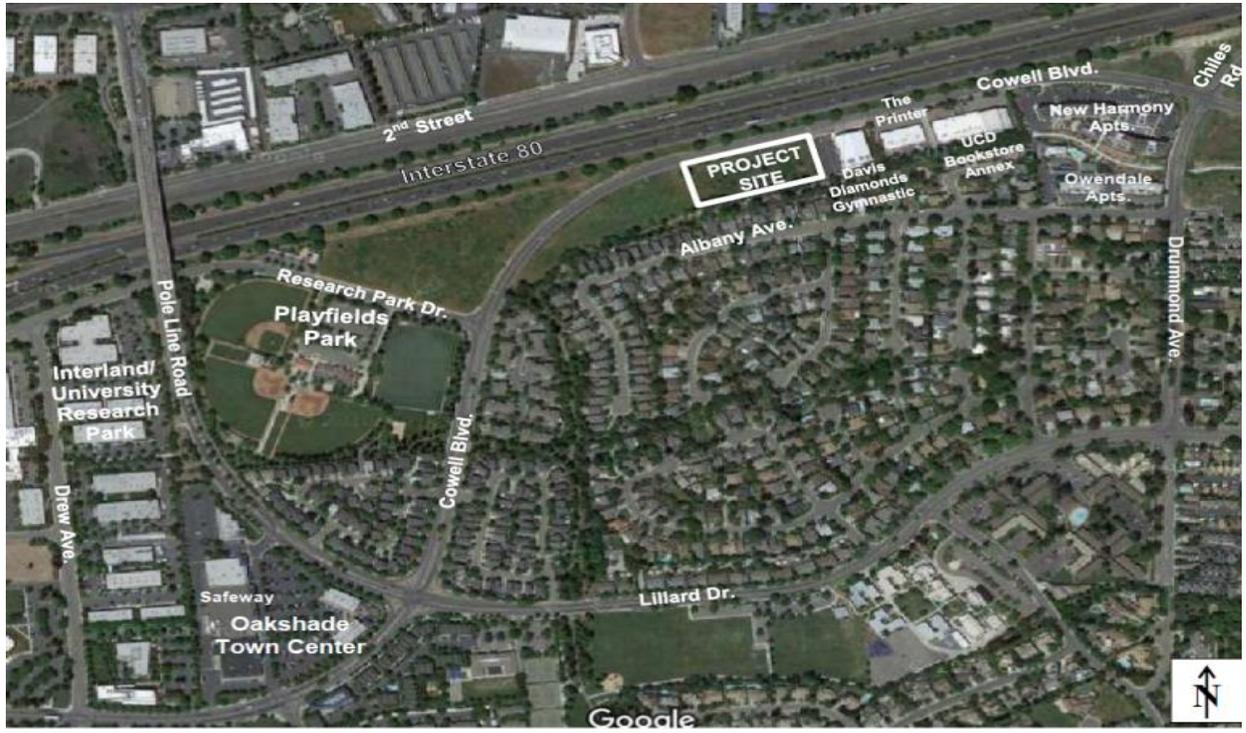


Project Setting

The project site is located in South Davis on the south side of Cowell Boulevard, east of Playfields Park and directly west of the Davis Diamonds gymnastics center. There is a greenbelt with a multi-use trail directly south of the project site with existing single-family residences on Albany Avenue beyond the greenbelt. The property is highly visible from Interstate 80 which is north of Cowell Boulevard. The adjacent land uses and zoning are as follows:

Adjacent Zoning and Land Use:

- North: PD #2-99B (across I-80) mixed light industrial uses
- South: R-1-8 (across greenbelt), residential
- East: PD #2-12, Davis Diamonds Gymnastics facility
- West: PD #12-87 for industrial research, vacant



Project Vicinity Map



Multi-Use Path Connections from the Project Site

Project Data

Applicant / Property Owner:

Guneet Bajwa for 2750 Cowell Hotel LLC
1007 J Street, Suite M-100
Sacramento 95814

Project Location:

2750 Cowell Boulevard
Cowell Boulevard between Research Park Drive and
Drummond Avenue (General Plan Amendment and
Planned Development Amendment)

**Existing and Proposed
General Plan Designation:**

Business Park

**Current and Proposed
Zoning:**

Planned Development #2-12
(Industrial Research)

Lot Size:

88,470 square feet (2.031 acre)

Existing Use:

Vacant

City Council Goals 2014-16

Goal: Drive Innovation and Economic Vitality

Objective: Develop Davis as a visitor destination

Public Outreach Efforts

The City and the applicant have conducted neighborhood and community outreach in the efforts summarized below. (See also section on neighborhood comments, page 14.)

Applicant Outreach

The applicant has reported efforts to seek comments from neighborhood residents, both prior to application submittal and concurrently with City review (see applicant's summary, <http://cityofdavis.org/home/showdocument?id=5894>). The applicant has also solicited comments from the Davis Chamber of Commerce and the Yolo County Visitors Bureau.

Neighborhood Meeting

By invitation, staff attended a meeting with several neighbors on June 23rd to discuss the proposed project and potential impacts on surrounding residential areas. The neighborhood meeting included a staff presentation of the entitlement process and a description of the permitted and conditional uses currently allowed within the Planned Development. The residents shared their concerns regarding the proposal with the hotel use being the foremost objection. The transient nature of the hotel business and the 24 hour operation were of greatest concern. Other items of concern included the building massing, privacy concerns regarding windows facing the rear yards of the homes along Albany Avenue, noise associated with the swimming pool, an increase in nonresidents in the area, vehicular and foot traffic, and concern about the suitability of the site for a hotel given the distance to the nearest freeway interchange.

Staff offered to hold additional neighborhood meetings with or without the applicant if the residents were desirous of additional dialogue. The residents attending the meeting reiterated their opposition to the proposed hotel use and did not wish to pursue additional meetings.

Public Hearing Notice

Notice of this public hearing was published in the Davis Enterprise and mailed to owners of all property within 800 feet of the area affected by the General Plan and Specific Plan amendments, (exceeding the City standard of 500 feet, to include all of Benbow Court). Comments received will be distributed to the City Council with the agenda packet and before the public hearing (see also section on neighbor comments, page 14).

Environmental Analysis

Negative Declaration #4-15 was prepared for the hotel project (Attachment 3). The applicant provided reports from kd Anderson (traffic), Acoustical Engineering Consultants (noise), and Tree Associates (trees), which staff reviewed and found credible. The Initial Study concluded that the project, with mitigation, would not have an adverse effect on the environment.

Other findings of the Initial Study include:

1. Air quality analysis showed implementation of the project would not conflict with or obstruct implementation of any air quality planning efforts or violate or contribute substantially to an existing or projected air quality violation.
2. Work on the site adjacent to the greenbelt, and construction of the storm drain connection to Albany Avenue (and bicycle path replacement) have the potential to affect trees on the public greenbelt and bicycle connection. The Arborist's reports make recommendations that should prevent detrimental impacts to the majority of the trees. Five trees (four Canary Pines and a callery pear) are required to be protected as feasible. Because future health of these trees cannot be ensured, the applicant is also required to provide security for compensation to the City's tree preservation fund if the trees are compromised.
3. Although burrowing owls have not been observed on the property, and Swainson's hawks are not known to nest near the site, a pre-construction survey and appropriate protections would reduce impacts to raptors to less-than-significant levels.
4. The proposed project would generate direct and indirect greenhouse gas emissions (GHG) that contribute to climate change impacts. Because the proposed project's net increase in operational GHGs would not be substantial with respect to mass emission thresholds that have been recommended by other air districts for analyzing stationary sources, the project would be consistent with the goals mandated by AB32, GHG emissions would not be cumulatively considerable, and impacts would be less-than-significant.

Members of the Planning Commission noted that mitigation measures addressing impacts to trees used the term "should," and questioned the enforceability of the requirements. The wording has been changed to "shall" in the attached Initial Study. All mitigation measures have been accepted by the applicant, as required by CEQA.

Planning Commission Public Hearing, Site Visit, and Recommendation

The Planning Commission held a public hearing on the project applications on August 28, 2016. There was extensive public testimony on issues of neighborhood compatibility, privacy and aesthetics, economic development, access, and economic and fiscal impacts. The Commission concluded that a site visit and simulations would be required before it made a decision, and continued the matter to its next meeting on September 14, 2016.

Between the two regular Commission meetings, on Wednesday September 7, the Planning Commission held a special meeting to view the site from the greenbelt adjacent to 2750 Cowell Boulevard. The main purpose was to allow Commissioners and the public to view the proposal in context of the site, the adjacent greenbelt, and nearby residential homes. The applicant arranged for balloon pillars to demonstrate the height of the building (top of blue balloon) and upper story windows (red balloons). The applicant also arranged for a drone to display views from the upper-story windows on a monitor. Although the wind increased during the meeting, staff believes the site visit was a useful exercise.



During the site visit, the applicant's architect also presented an option for on-building screening to protect privacy of residences to the south (See Attachment 1, sheets A17 and A18).

On September 14, the Planning Commission took additional public testimony, and received responses to questions asked of staff during the initial meeting relating to neighborhood access to the swimming pool and electric vehicle chargers; wayfinding and freeway access for hotel guests; and impacts to on-site trees, trees on the adjacent greenbelt, and trees on the bicycle connection from Cowell Boulevard to Albany Avenue. (See Planning Commission supplemental staff report at <http://cityofdavis.org/home/showdocument?id=6052>)

In conclusion, the Commission passed, with 4-3 vote, a motion that the Commission cannot move ahead with recommending approval of the applications. Commissioners voting in favor of the motion cited what they believe to be inconsistency with the City Council criteria. There was stated confusion on how the Commission was to address the City Council criteria. Staff responded by requesting that the Commission focus on the criteria that was related to land use matters but some Commissioners voiced concern that the criteria was not elaborated on in the staff report and that the Commission was not given direction in the staff report on how to utilize the criteria in their review of the proposal.

The Commission did not structure its discussion to include point-by-point comments on the City Council criteria for consideration of hotel proposals. Commissioners supporting the motion noted concerns about neighborhood impacts, building height, level of environmental review, enforceability of mitigation measures, impacts to the adjacent greenbelt, alternative uses for the property, distance from downtown and neighborhood services, site access, and concern about lack of clarity for how the City Council criteria was to be utilized by the Commission.

Other Commissioner comments reflected support for efforts by the applicant to address neighborhood issues, expectation of a mixed-use neighborhood, good access to transit, and potential impacts from alternative permitted uses for the property.

Project Analysis

This staff report includes analysis of the following aspects of the project review:

1. Consistency with General Plan, South Davis Specific Plan, and PD #2-12 Principles (page 9)
2. Aesthetics (page 12)
3. Sustainability (page 13)
4. Neighborhood Comments and Privacy Impacts (page 14)
5. City Council Criteria for Evaluation of Hotel Proposals (page 17)
6. Summary of Applications and Recommendations (page 20)

Each of these six sections includes staff analysis and recommendations.

1. Consistency with General Plan, South Davis Specific Plan, and Zoning (PD #2-12) Principles

The site is designated for Business Park use on the General Plan Land Use Map. The intent of the Business Park designation is to provide locations for administrative, professional, government and medical offices and non-polluting science, technology, light manufacturing and ancillary warehouse facilities in a pleasant, pedestrian-oriented mixed-use environment featuring freeway and airport access, a variety of amenities and high-quality architectural and landscape design. The General Plan notes that a “Business Park” is intended to provide a mix of uses such as office/R&D combined with health clubs, day care centers, incubator spaces, and secondary residential uses. Hotels are not explicitly identified as permitted uses within this designation.

Planned Development (PD) #2-12, comprised of the subject site and the adjacent Davis Diamonds parcel, was created to allow commercial recreation uses within the industrial research planned development. The purpose of the PD is to provide an environment for and conducive to the development and protection of modern, large-scale administrative facilities, research institutions, specialized manufacturing organizations, and commercial recreation, all of a non-nuisance type. Permitted uses include customary I-R uses of administrative offices, laboratories, research, and light manufacturing. Retail uses such as restaurants and auto service stations, necessary to serve and appropriate to the I-R district, are conditionally permitted. The Planned Development has height limitations of three stories and 50 feet. Pursuant to Section 40.32.010 of the Davis Municipal Code, the purpose of the Planned Development districts is to allow diversification in the relationship of various buildings, structures, and open spaces...and the allowable heights of such buildings and structures, while ensuring substantial compliance with the regulations...and to encourage variety in the physical development pattern of the city.

Staff finds that an extended stay hotel can be an appropriate addition to the mix of uses found in a Business Park / Light Industrial area. The neighborhood of the project site includes residential (single-family and multifamily), office, recreational facilities (Davis Diamonds and Playfields Park), and is proximate to the Interland office/tech center and Oakshade shopping center. The hotel rooms can provide space for visiting researchers and company officials from outside Davis, while the meeting rooms can support the needs of local businesses. In addition, more hotel rooms near the downtown and the UC Davis campus would support other economic development goals and activities, including the General Plan polices to “Increase attractions and amenities that bring people to the Core” and “Promote Davis as a destination for visitors with interests in eco-tourism, university/academic events, culture and arts, and downtown shopping.” Following

discussion at the Planning Commission meeting regarding the extent of the General Plan Amendment, staff is recommending the additional language conditionally permitting a hotel use be limited to the area on Cowell Boulevard between Drummond Avenue and the eastern terminus of Research Park Drive.

A hotel use is similar to the restaurant and service station retail conditionally permitted under the Planned Development, and staff has concluded that the requested modification to the zoning is supportable.

The South Davis Specific Plan identifies the site for “Industrial, Industrial Research & Office Uses.” The goal of the non-residential land use areas is to provide commercial, office, and industrial-research facilities that meet the employment and service needs of the residents of South Davis as well as the entire City. The land-use principles of the South Davis Specific Plan call for an office and industrial strip of land along Chiles Road [now Cowell Boulevard] to serve to provide a noise buffer to Interstate 80, and to provide a more aesthetic design than a large continuous sound wall. The SDSP goal for non-residential uses is to provide commercial, office, and industrial-research facilities that meet the employment and service needs of the residents of South Davis as well as the entire city. Staff finds the proposed hotel as potentially appropriate in this area, similar to the determination for General Plan and Planned Development consistency.

The South Davis Specific Plan also includes four guidelines for non-residential development along northerly Cowell Boulevard:

- Buildings shall be set back 50 feet or more from the street. *Staff note: The majority of the hotel building would be approximately 60 feet from the Cowell Boulevard property line. The entry feature would be 48 feet. The building articulation improves the appearance of the structure, and staff finds the project consistent with the intent of this guideline.*
- Seventy-five percent of required parking shall be completely screened by a landscaped berm. *Staff note: No landscaped berm is proposed at the Cowell Boulevard frontage. However, all but 21 of the 108-112 vehicle parking spaces are located to the rear or side of the building. Staff finds the project consistent with the intent of this guideline*
- Twenty percent of the site area shall be landscaped. *Staff note: The South Davis Specific Plan was adopted in 1987. The plan does not necessarily reflect the City’s current goals to maximize existing inventory [of land for innovation development] to increase development certainty and flexibility, support retention and growth of innovation businesses, and maximize revenue opportunities. This guideline also does not reflect a more urban design standard seen in Davis in the past decades. Staff recommends the South Davis Specific Plan be amended to allow flexibility in landscaped area, as established in a Planned Development, for the area on Cowell Boulevard between Drummond Avenue and the eastern terminus of Research Park Drive. The project meets the minimum ten percent landscaping standard of the Zoning Ordinance.*
- Buildings, walls, and landscaped berms shall be designed generally parallel with Interstate 80 to form a functional noise barrier. *Staff note: The project is consistent with this guideline.*

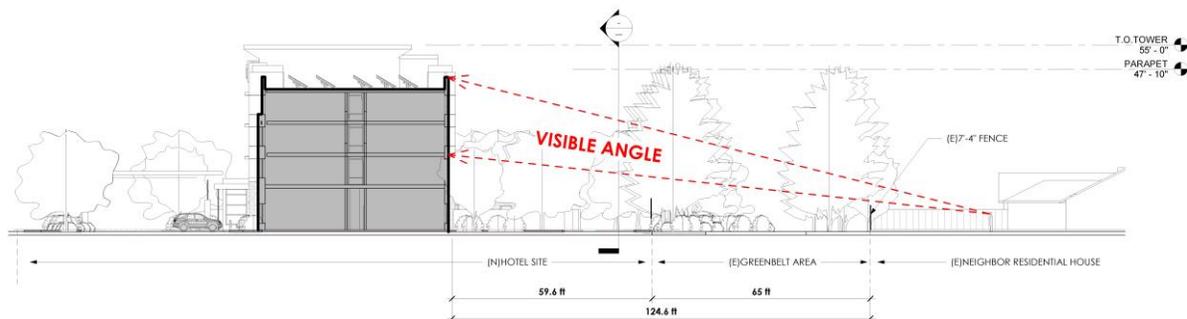
In addition, the proposed project exceeds the intensity anticipated in the General Plan and Planned Development. The GP Business Park category has a maximum floor area ratio of 50 percent, with an additional 15 percent for the housing component of a mixed use project. The proposed project has a FAR of 85 percent. The tower component of the proposed project exceeds the Planned Development's height limit of 50 feet by five feet (which can be approved as a Minor Modification), and the four-story structure exceeds the three story limitation in the Planned Development.



Rendering from Cowell Blvd frontage

As an example of scale, the Hyatt Place hotel on the UC Davis campus was originally built with 75 rooms and recently expanded to a total of 150 rooms. It has four stories, and is approximately 60 feet high. The New Harmony apartment buildings at Cowell Boulevard and Drummond Avenue are three stories and 41'6" to roof peak. The Davis Diamonds building, adjacent to the project site, is a tall one-story structure at approximately 32 feet to the peak of the roof.

The applicant has prepared photosimulations showing the visual impact of the hotel from the residential properties to the south, on the other side of the greenbelt. (See submittal packet, exhibit A13). Because of the rear-yard fences and the trees on the greenbelt, much, but not all, of the building is shielded from view by neighborhood residents. Future privacy and landscape screening considerations are discussed further in the neighborhood comments section of the staff report.



Line of sight exhibit from the rear yard of the Albany Avenue homes

Recommendation: Staff has concluded that the consistency with General Plan and Planned Development goals can be met, and recommends approval of the General Plan Amendment, South Davis Specific Plan Amendment, and Planned Development Amendment, along with conditions of approval for the Conditional Use Permit and Design Review to ensure proper integration into the community in areas such as sustainability, operation, and parking management.

2. Aesthetics

The site is in a prominent location, with excellent visibility from Interstate 80. The four-story structure would be taller than the predominant one- and two-story buildings existing along Cowell Boulevard and Chiles Road but the overall height is generally consistent with the 50' maximum currently allowed under the Planned Development zoning.

The site is constrained by its shape and size, and the proposed building is necessarily linear in nature. Staff's efforts have focused on mechanisms to reduce the appearance of building mass while adding warmth and texture to the façade. Changes from the original concept plans include:

- ◆ Reduction in overall building height from 51'11" to 47'10" (parapet) and from 58'11" to 55' (tower), and moving the building approximately 15 feet toward Cowell Boulevard, in response to neighborhood comments;
- ◆ Removal of two parking spaces near the common outdoor area on the north side to provide additional space for landscaping and building detail;
- ◆ Façade changes including vertical articulation, stone base materials at differing heights to add visual interest, window shades and spandrel glass at the main tower, and a greenwall concept at the front patio area;
- ◆ Consultation with the City's Program Manager for Arts & Culture regarding opportunities for public art on the building and grounds, particularly the prominent west-facing elevation;
- ◆ Enhanced bicycle parking areas and accommodations.

Signage for the building is anticipated to be predominantly on the tower feature, with additional ground-level and monument signs to identify the site from Chiles Road.

Recommendation: Staff appreciates the efforts of the applicant and project architect to refine the project design through the planning review process and recommends approval of the Design Review subject to the following:

In addition to standard Design Review conditions of approval, staff recommends the following additional conditions:

1. The fence between the hotel and the greenbelt shall be wrought iron or similar open design above a height of 3-4 feet (lower portion solid, to shield vehicle headlights), subject to review and approval by the Department of Community Development and Sustainability. The fence adjacent to the fire lane (where there are no parking spaces) shall be open from the ground up. All fences will be on private property and the property owner shall be responsible for installation and maintenance. (Condition 45)
2. Prior to the issuance of permits, preliminary exterior paint colors (and materials) shall be submitted for review and approval by the Community Development & Sustainability Department. (Condition 68)
3. The applicant shall work with the City of Davis Program Manager for Arts and Culture with the goal of incorporating art by local artists, particularly on the western elevation and areas facing Interstate 80. (Condition 67)

The Industrial Research zoning district allows a maximum of 100 square feet of signage for a building with frontage exceeding 73 feet. In contrast, the Commercial Highway zoning district allows twice the sign area. The recommended amendment to PD #2-12 allows sign area for conditional uses to be determined by the Director of Community Development and Sustainability, reflecting consistency with the principles of the City-wide sign design guidelines. Staff anticipates the final sign program for the project will be approved administratively, reflecting the site's location and neighborhood context.

3. Sustainability

The project would be subject to standard City requirements, including stormwater best management practices and mandatory CalGreen Tier 1 building code requirements with 15% compliance margin for exceeding energy code. The applicant has committed to achieving LEED Gold certification from the US Green Building Council. Additional sustainability components include:

- ◆ Photovoltaic panels on the rooftop and parking lot carports anticipated to generate over 290 kilowatts of electricity (estimated approximately 90 percent of annual electrical demand), with a commitment to purchasing any remaining electricity from offsite renewable sources through the proposed city of Davis Community Choice Energy JPA;
- ◆ Energy Star refrigerators and dishwashers in guest rooms, and Energy Star washers in guest laundry
- ◆ Rooftop solar thermal to serve guest rooms, laundries, and staff kitchen
- ◆ EV charging stations in the parking lot
- ◆ Bicycle parking and loaner bicycles for guests, and a separate secured bicycle parking area for employees. The hotelier would also provide maps and wayfinding assistance through signage.
- ◆ Points incentive program for guests who use alternative transportation
- ◆ CNG shuttle bus to connect to airport, UC Davis, other destinations

Recommendation: Staff recommends the above provisions be included as conditions of approval for the conditional use permit (Condition 90). Minor modifications are subject to review and approval by the Director of Community Development and Sustainability, while major revisions could require Planning Commission hearing and alteration to the CUP.

Staff notes that the General Plan description of "Business Park" speaks to a pedestrian-oriented environment. The site is adjacent to a greenbelt providing bicycle and pedestrian access to destinations such as UC Davis and the Oakshade Town Center. However, Cowell Boulevard is very wide and lacks the landscape buffer encouraged by the City's Greenstreet policy interpretations. The project proposal includes installation of a Rapid Rectangular Flashing Beacon, and bus stop area to provide improved access across Cowell to bus riders. Recommended conditions of approval include a requirement for staff and the applicant to explore opportunities for installation of landscaping within the right-of-way between the sidewalk and Cowell Boulevard. Staff is also recommending a condition that the applicant restripe Cowell Boulevard to include a two-way left-turn lane in front of the site, to improve vehicle movements onto and off of the property.

4. Neighborhood Comments and Privacy Impacts

All three Planning Commission meetings included public testimony. While there were speakers in support of the project, comments from neighborhood residents primarily expressed opposition to the proposal.

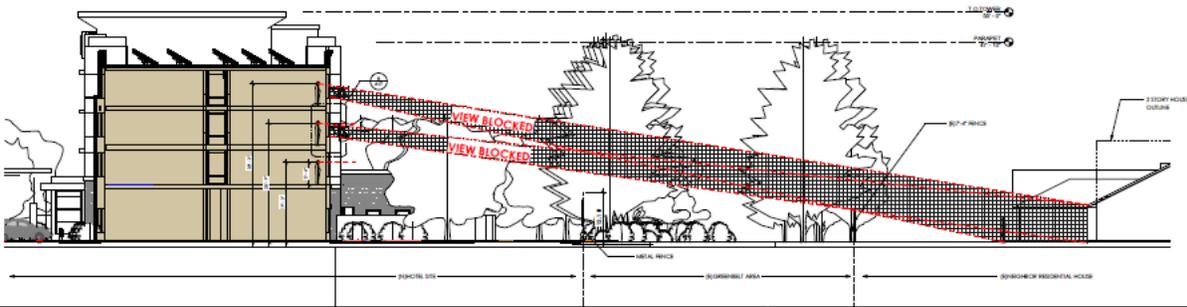
At the request of staff to receive comments in writing from objecting neighborhood residents, a neighborhood resident summarized neighborhood concerns as follows:

- ◆ *Safety; i.e. adjacency to a neighborhood with a high density of very young children. Access via green belt it immediately next door to the hotel and multiple Albany entrances/parks*
- ◆ *Lighting*
- ◆ *Height of the hotel*
- ◆ *Adjacency to the immediate neighbors. The hotel plans, even with their recent adjustments to the plans, still locate the hotel only feet away from the backyards of residence.*
- ◆ *24/7 business being a nuisance to the neighborhoods*
- ◆ *Transient nature of the business*
- ◆ *Overall esthetics in terms of large scale building near one story homes. Note the nearby low income housing building that sticks out like a sore thumb*
- ◆ *No investment into local community, large corporation w/no skin in the game in Davis vs. local business*

Staff does not consider the last issue (owner investment vs. local business) to be germane to the land use applications. However, the other issues are relevant to the question of whether the City Council should approve the General Plan, South Davis Specific Plan, and PD Amendments, and the Conditional Use Permit.

Community Development staff consulted with the Police Department about the safety comment made by the resident. The Police Service Specialist Supervisor noted that the Police Department does not see a safety issue or impacts to the community from a hotel in this location, provided it has lighting consistent with the City's Outdoor Lighting Control Ordinance. Lighting would be subject to review during building permit to ensure glare impacts are minimized. The potential for a hotel bar was specifically noted as a source of concern during earlier neighborhood discussions. The applicant has stated that alcohol sales will be limited to beer and wine (no hard alcohol). The Police Department has not expressed any concern with the bar operation, and will have the ability to review the necessary alcohol license.

Privacy impacts to nearby residents are a key factor in neighborhood objections to the proposal. The hotel structure would have a 42-58 foot setback from the south property line, the greenbelt is approximately 65 feet wide in this location, and there is a fence between the greenbelt and the residences. The majority of the homes on this portion of Albany are single-story. Because of the existing trees on the greenbelt, there would be minimal impacts (see, Exhibit A13 in application packet). The applicant has offered to plant additional screening trees in the greenbelt where necessary for increased screening which is included as a condition of approval. The ultimate placement of any proposed screening plantings will be subject to review by the City Arborist to ensure that new trees would not be detrimental to the trees that are already on the greenbelt.

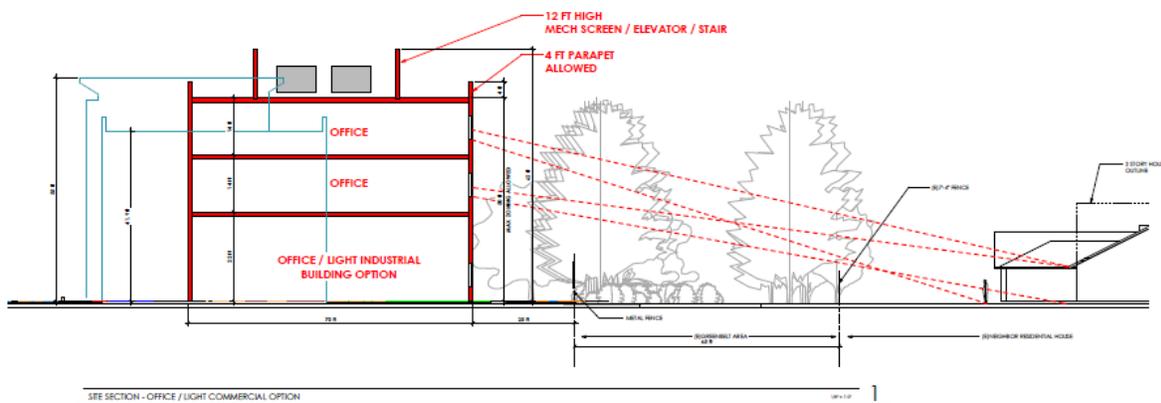


Line of sight exhibit with privacy screens incorporated on 3rd and 4th floor rooms (shading shows views **BLOCKED** utilizing proposed window screens).

During the Planning Commission site visit, the applicant's architect presented an option for on-building screening to reduce privacy impacts for residences across the greenbelt (see drawing, above). Staff recommends an additional condition of approval (Condition 66) for the Design Review and Conditional Use Permit entitlements:

Building plans shall be revised to include screening to reduce privacy impacts on residences to the south as shown in new Exhibits A17 and A18, or equivalent, to the satisfaction of the Director of Community Development and Sustainability.

At the request of the staff, the applicant's architect prepared a massing study showing one potential building that could be constructed on the site under the existing zoning and South Davis Specific Plan standards. The study shows a 50' light industrial and office building, with setbacks consistent with those in the Light Industrial zoning district. (See applicant exhibits A19 and A20).



Massing study of a building that could be constructed under existing zoning standards (blue line in the background is the proposed hotel)

The study shows this hypothetical building could have greater impacts to neighborhood privacy than the proposed hotel, primarily due to the lesser (25 foot) rear setback to the south.

In addition to offices and research uses, permitted uses under the existing planned development include experimental laboratories, electronic manufacturing, food manufacturing, and commercial recreation. Any of these uses could potentially operate during evenings or at night, and raise neighborhood compatibility issues over noise, aesthetics, or traffic. The City would have limited ability to deny an application for a permitted use, or require significant design changes for projects consistent with zoning standards.

Staff also notes that the noise analysis found that the proposed hotel building will actually reduce transportation noise at residences along Albany Avenue due to shielding of traffic noise from Cowell Blvd., Interstate 80, and the nearby rail line. The 338' long and almost 48' tall building will block a majority of the line of sight to the backyards of these residences resulting in an estimated 9 dBA of attenuation for homes directly behind the hotel. The Davis Hyatt House project will add some non-transportation noise sources to the site including HVAC equipment, pool equipment, landscaping maintenance, and general activity in the parking lot and around the building. The decrease in transportation noise at the residences will more than offset any increases from non-transportation sources.

Recommendation: Staff finds that the project is not likely to become a nuisance to the neighborhood. Other permitted and conditionally-permitted uses in the Planned Development, including Davis Diamonds, also have the potential to attract visitors to Davis or operate during expanded business hours. The hotel will have staff to ensure that there are no noise or other impacts on the neighborhood. Staff recommends the following CUP conditions of approval addressing nuisance concerns (Conditions 100-105):

- ◆ The use shall be conducted in a manner that promotes good neighbor relations. The owner shall provide up-to-date contact information to all adjacent neighbors with the name(s) and phone number(s) of persons who can be contacted and correct problems immediately, including excessive noise. The applicant shall make a good faith effort to inform and ensure that the employees and visitors respect the quiet of adjacent neighbors during activities held at the property, as well as when arriving and departing from the property.
- ◆ The hotel shall have front-desk and management or security staff on premises at all times
- ◆ Security staff shall patrol the parking lot no less frequently than once per hour during times of darkness
- ◆ The parking lot shall have security cameras and lighting consistent with the City's Outdoor Lighting Control Ordinance, subject to review and approval by the Police Department at the time of building permit issuance.
- ◆ The fence between the hotel and the greenbelt shall be wrought iron or similar open design above a height of 3-4 feet (lower portion solid, to screen vehicle headlights), subject to review and approval by the Department of Community Development and Sustainability. The fence adjacent to the fire lane (where there are no parking spaces) shall be open from the ground up. All fences will be on private property and the property owner shall be responsible for installation and maintenance.
- ◆ Alcohol sales at the bar are limited to beer and wine only, with no sales of hard alcohol.

5. City Council Criteria for Evaluation of Hotel Proposals

This spring, the City Council discussed pending hotel applications (this proposal and the proposed Marriott Residence Inn on Fermi Place), reviewed analyses of the market prepared by a hospitality consultant under contract with the City, and adopted criteria for evaluation of hotel proposals (See Attachment 8). Responses from the applicant regarding the adopted criteria are included within Attachment 1.

The Council's action to adopt the criteria for evaluation of hotel proposals does not provide formal direction on how the criteria are to be used. Only the City Council can determine how much weight to be assign to each criterion, and how many must be "met" for a project to be approvable. The Council should also consider the findings required for each of the requested applications. Specifically, approval of a Conditional Use Permit requires a finding that the use will not become a nuisance that appropriate conditions will be met.

During the Planning Commission review, some Commissioners cited inconsistency with the criteria as the basis for their inability to recommend approval of the applications. Commissioners expressed concern with the way the criteria had been presented in the staff analysis, and cited a lack of clarity in whether the criteria were intended to be used to guide Planning Commission recommendations.

The Commission did not structure its discussion to include point-by-point comments on the City Council criteria. Staff has reflected a summary of comments by individual Commissioners below.

Staff finds that the project, with recommended conditions of approval, is generally consistent with the following criteria:

- A Proximity to demand generators, including international businesses, sports facilities, and UC Davis. The site is proximate to the Interland-University Research Park, UC Davis, and Playfields Park.
- B Pedestrian and bicycle access and accommodations, including loaner bicycles. The project includes loaner bicycles for guests (Conditions 89 and 90). Bicycle parking for guests is provided near the front entrance of the building. The site is located with direct access to a robust off street greenbelt/bicycle path network (see exhibit) and allows for ready access to the community without a need to use vehicles or cross streets. The project also includes secure bicycle parking for hotel employees.
- C Visibility and accessibility from Interstate 80. Planning Commissioners noted that the site is highly visible from Interstate 80, but not proximate to either the Mace Boulevard or Richards Boulevard interchanges. Staff notes that the general practice of on-line or telephone reservations, loyalty programs, and GPS navigation has reduced the benefit of immediate freeway visibility/offramp access in hotel marketing. In addition, extended-stay hotels would likely gain less benefit from freeway accessibility, because guests are anticipated to have limited freeway trips once they arrive at the hotel.

- E Proximity or access to public transit. The Unitrans W line provides services on Cowell Boulevard to/from the UC Davis campus. The application includes improvements to Cowell Boulevard, including a Rapid Rectangular Flashing Beacon to aid pedestrian crossing and an enhanced waiting area for the bus stop. Real-time information on bus schedules is readily available by smartphone app.

Following the Planning Commission discussion of the Fermi Place (Residence Inn) application, staff has verified that a hotel guest may be eligible to use Davis Community Transit services within Davis by providing a certification document from their home paratransit service or submitting an application for temporary status.

- G Existing zoning. The proposal requires the following amendments to the Planned Development:
- ◆ Addition of a hotel as a conditionally permitted use
 - ◆ Increase in number of allowable stories from three to four (building height limitation of 50 feet unchanged)
 - ◆ Sign area exceeding Light Industrial standards, to be established through Design Review
 - ◆ Recreational facilities permitted outside an enclosed building.

Staff has concluded that these amendments are appropriate for this Planned Development district. The increase in number of allowable stories does not change the allowable building height. Conditionally allowing the hotel use allows the City to impose requirements for the protection of adjacent properties and the public interest, through processes outlined by the Zoning Ordinance.

- H Sustainability, including commitment to CalGreen Tier 1, LEED Gold or higher is encouraged. Desirable components could be on-site generation of renewable energy, water conservation practices, LED lighting, and similar measures. Sustainability commitments are discussed on page 13 of this report. Staff finds the sustainability proposal to be exceptional, and appreciates the components supporting Community Choice Energy.

- I High-profile brand not provided elsewhere in the City of Davis. Staff notes that there is no Hyatt-branded hotel in the City of Davis. Although the City does not have the ability to regulate product or brand name through its land-use authority, the applicant team has experience delivering name-branded hotel developments.

- J Transportation demand management commitments, including a shuttle service to airport and conference facilities The project includes a CNG shuttle to provide on-demand service to the airport and other destinations (Condition 90).

- K Anticipated revenue to the City of Davis (including TOT, property tax, sales tax, and Development Agreement commitments). The Finance and Budget Commission discussed the potential fiscal impacts of the hotel proposals at their September 12th meeting. Conclusions of the Finance and Budget Commission are included as Attachment 10 to

this staff report. In summary, the Commission concluded that the Hyatt House would likely result in a net fiscal benefit of hundreds of thousands of dollars annually to the City of Davis.

- L Commitment to high-quality architectural treatments that reflect the community and neighborhood context. As discussed earlier in this report, the project revisions requested by staff further consistency with this criterion.
- M Integration of project amenities such as public art. Condition 67 speaks to efforts to pursue art by local artists.

The Council will need to determine its comfort with the following criteria:

- D Site location, product characteristics and amenities, and desirability for extended stay travelers (restaurants, groceries, neighborhood services, etc.). Some Planning Commissioners commented that the location is not adequately proximate to shopping and services. Restaurants and groceries within the area include those at Oakshade Town Center, which is approximately 14 minutes walking and six minutes cycling distance all with immediate access to the off street greenbelt network (per Google Maps). Downtown Davis is also accessible by bicycle via the Putah Creek Parkway or Pole Line Overpass. Staff has concluded that this location, in a mixed-use neighborhood, is appropriate for an extended-stay hotel. Guests are anticipated to enjoy the benefits of proximity to nearby greenbelts for transportation and recreational uses, and the nearby supplies and services that serve the surrounding neighborhood are convenient for hotel guests.
- F Proximity to residences and neighborhood compatibility. The site is proximate to residential uses, particularly the single-family homes on Albany Avenue south of the greenbelt. The majority of the public testimony opposing the application at the Planning Commission meetings addressed issues of compatibility, as did much Commissioner comment. As discussed in the sections on General Plan and Zoning Principles and neighborhood issues, staff believes that this proposal, given appropriate conditions, is an approvable project. Recommended conditions address privacy, noise, security, and other issues raised by opponents to the proposal.
- N Demonstrated team experience and capability for both the development and operation of a first-rate hotel facility
- O Demonstrated financial capacity for project delivery, if approved

Developer information has been provided in Attachment 1.

6. Summary of Applications and Recommendations

A Mitigated Negative Declaration #4-14 analyzing the effect on the environment with specific focus on trees, roadways, noise, and air quality.

Recommendation: Staff recommends the City Council determine that the Initial Study and Negative Declaration (Attachment 3) adequately assess the potential impacts of the project, and that recommended mitigation measures reduce any potential environmental impacts to less-than-significant levels. Mitigation measures to address potential impacts to trees and to raptors are included.

B Amendment to the General Plan.

Recommendation: Staff recommends the City Council adopt a resolution (Attachment 4) to add hotels as conditionally permitted uses within the Business Park land use designation, between Drummond Avenue and the eastern terminus of Research Park Drive, with a maximum Floor Area Ratio of 100 percent.

C Amendment to the South Davis Specific Plan.

Recommendation: Staff recommends the City Council adopt a resolution (Attachment 5) to allow the percent of a non-residential site between Drummond Avenue and the eastern terminus of Research Park Drive that is required to be landscaped to be established in a Planned Development.

D Amendment to Planned Development # 2-12

Recommendation: Staff recommends the City Council adopt an ordinance (Attachment 5) to add hotels as conditionally permitted uses within the Planned Development, with a maximum building height of four stories and 50 feet (unless adjusted through Minor Modification), add outdoor recreational areas to the list of uses that are not required to be wholly contained within a building, and allow sign dimensions and location to be established for Conditional Uses, subject to review and approval by the Director of Community Development and Sustainability.

E Conditional Use Permit for the extended-stay hotel

Recommendation: Staff recommends the City Council approve the Conditional Use Permit, based upon the findings and subject to the conditions in Attachments 6 and 7. Specifically, staff recommends the City Council find that the proposed use will not constitute a nuisance and that any additional conditions stipulated by the Commission and Council have been or will be met (see recommended additional conditions in response to neighbor comments, page 17). Specific Conditional Use Permit approvals include a four-story 120-room extended stay hotel with guest lobby, bar, guest gathering/meeting room, fitness room, and outdoor common area and swimming pool. This Conditional Use Permit also allows project signage to deviate from the size and location requirements of the Zoning Ordinance, subject to review and approval of the Director of Community Development and Sustainability.

F Minor Modification to reduce required parking by up to ten percent and allow the building tower to exceed the otherwise-allowable height by ten percent.

Recommendation: Staff recommends the City Council approve the Minor Modification reducing required vehicle parking spaces from 120 to 108, and allowing the building tower to be 55 feet when 50 feet is the maximum height established in the Planned Development, based upon the findings and subject to the conditions in Attachments 6 and 7. Staff finds that the reduction in parking spaces is consistent with the City's goals for alternative transportation modes, and the increased height of the tower provides interest to the elevation and highlights the entrance to the building.

G Final Planned Development and Site Plan and Architectural Review.

Recommendation: Staff recommends the City Council approve the Final Planned Development (establishing development standards) and Site Plan and Architectural Review for the proposal, based upon the findings and subject to the conditions in Attachments 6 and 7.

Conclusion

Staff has concluded that the proposal is consistent with the goals of the General Plan and the City Council 2014-16 Goals. All potential environmental impacts can be mitigated to less-than-significant levels. The hotel will meet existing needs for hotel rooms and meeting space to serve UC Davis, local businesses and residents. The project will provide a range of employment opportunities for residents of Davis. The City will benefit financially from increased property taxes, sales taxes, and transient occupancy taxes. Staff recommends the City Council approve the applications.

Attachments

1. Applicant Submittals (complete submittal posted at <http://cityofdavis.org/city-hall/community-development-and-sustainability/test-development-projects/hyatt-house-hotel>)
2. Applicant Narrative, including response to City Council criteria for evaluation of hotel applications
3. Initial Study / Negative Declaration (Attachments, including Traffic Impact Study, are at the above link)
4. General Plan Amendment Resolution
5. South Davis Specific Plan Amendment Resolution
6. Planned Development #2-12 Amendment Ordinance
7. CUP, Final Planned Development, and Site Plan and Architectural Review Findings
8. CUP, Final Planned Development, and Site Plan and Architectural Review Conditions
9. Resolution 16-049 Establishing Criteria for Evaluation of Hotel Proposals
10. Finance and Budget Commission Conclusions
11. Correspondence (transmitted separately; not posted)